

June 11, 1954

STATEMENT OF STATE'S POSITION WITH RESPECT TO ACTION OF THE 27TH
MEETING OF SUBCOMMITTEE ON THE EXPLOITATION OF NONSCIENTIFIC
CHINESE PUBLICATIONS.

The China intelligence-research branch of the Department of State accepts the majority action of the subcommittee with the understanding (a) that the "Proposed Action by FDD to Meet Needs of Nonscientific Publications of China" is simply, as the chairman stated, a provisional working agreement to be tested in the next six months and not a comprehensive report of this subcommittee's findings on China "exploitation" problems; and (b) that it will be possible six months hence to review the performance of FDD in terms of meeting the "exploitation" requirements of the several IAC agencies concerned with China. By way of keeping the record straight, however, the State representative desires to restate for inclusion in the minutes the principal reasons why he opposed acceptance of FDD's proposal at the last meeting and why he believes it to be an unsatisfactory result of the six subcommittee sessions on China.

The subcommittee sessions on China were undertaken in accordance with NSCID-16 with the aim of finding out how nonscientific publications could be "exploited" most effectively by all the IAC facilities in order to meet the needs of the intelligence community. Recognizing that the exploitation/translation facilities are limited, it was our intention to examine intelligence priorities and to work out a way in which FDD and other IAC exploitation facilities could provide the most effective service of common concern. For the following reasons the State representative believes that FDD's proposed action fails to consider the China area in terms of the objectives which this subcommittee set for itself.

1. The proposed action does not reflect the degree to which China intelligence activities are dependent upon the use of government translations of "exploitations." This dependence is great because, unlike the USSR area, the China area activities are not facilitated by the availability of analysts who are fluent in the languages of the area, nor by the existence of non-governmental translation activities, nor by the accumulation of a considerable corpus of background information in English, nor by the extensive and continuing research of private scholars and institutions.

2. Despite the need for what our findings called the "sustained depth exploitation" of Chinese documents -- a need that was recognized two years ago in the NIE-27 post mortem on Chinese economic data and that has been heightened by the diminution of other sources -- and despite also the relatively small output of FDD in the past, this proposed action seems to add to FDD's bibliographical activities (items 4,5,6) at the probable expense of its "exploitation" activities.

3. Because it is obvious on the basis of past experience and in the light of the subcommittee findings that FDD by itself cannot possibly fulfill the primary "exploitation" needs of the several IAC agencies, and because State believes these needs are of great importance

to the preparation of NIE's, NIS's, as well as current intelligence activities, the State representative had expected that this subcommittee would have considered now, and not six months hence, the extent to which the resources and potentialities of all exploitation and translation facilities could be utilized to the maximum advantage of all IAC agencies. In this connection the subcommittee has found that the Hongkong Press Monitoring Unit has provided the most extensive and useful coverage of the current mainland press, and that the Monitoring Unit's production can be quickly and effectively expanded at the small cost of approximately \$2500 a translator per annum. State is trying to expand these facilities, but there are inter-departmental problems that remain to be considered, such as the division of scarce publications among Hongkong, FDD, and the Air Force unit in Tokyo, and State had hoped that consideration of these problems would not be postponed any further.

In addition to these general criticisms which were made with reference to the total "exploitation" effort on nonscientific Chinese publications, the State representative also had some specific comments to make concerning FDD's proposed action for meeting the Department of State requirements. As the minutes reflect, there was some confusion because of the way the business was dispatched. State's proposed amendment --- "The full exploitation on a continuing basis of major policy statements and governmental reports for which accurate and complete translations are not available" --- was made not as an addition to paragraph 7 but as a separate paragraph to be inserted by way of refining the rather vague wordage of paragraph 1. Paragraph 1 expresses only part of State's primary "exploitation" needs as reference to the subcommittee findings will show. State's proposed addition was made with the belief that FDD is not servicing State's requirements adequately unless it can insure on a continuing basis a complete and accurate exploitation of the primary political and politico-economic intelligence documents. We regret to say that since the last subcommittee meeting FDD has informed State that its workload will not enable FDD to perform this service.

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on NSCID-10 Advisory Committee

C O N F I D E N T I A L